

111251
McConachie
INSURANCE AGENCY, INC.

1420 Renaissance Drive
P.O. Box 777
Park Ridge, Illinois 60068
Telephone (312) 297-3640
FAX (312) 297-5674

October 17, 1989

Mr. Joseph Arvin
Arrow Gear Company
2301 Curtiss
Downers Grove, IL 60515

RE: COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND
LIABILITY ACT OF 1980
UNDERGROUND PETROLEUM STORAGE TANKS

Dear Joe,

I enclose for your careful review a reprint of the John Liner Letter (August, 1989) relative to the subject in caption. This article deals with the potential liabilities that may be imposed should you purchase property which once disposed of hazardous substances, own a property with hazardous substances or have hazardous substance by-products transported to off-premises waste sites.

We feel that this information will prove useful to you if you are considering the purchase of property, own property where there is a known hazardous substance exposure or dispose of hazardous substances to a waste site.

As the article states, there are a number of insurance carriers willing to provide this coverage. However, the coverages and limits of liability offered are limited.

In addition, the U. S. Environmental Protection Agency recently passed legislation dealing with industrial companies having underground petroleum storage tanks (UST's). Beginning October 26, 1988 any industrial firm with UST's must secure liability insurance covering leaks from UST's which contaminate the environment.

October 17, 1989
Page 2
Mr. Joseph Arvin
Arrow Gear company

The legislation states that the minimum amount of coverage will be \$1,000,000 for petroleum makers and \$500,000 for users of petroleum from private underground storage tanks. Firms with \$20 million or more of tangible net worth must comply by January, 1989, all others by October, 1990.

If you own or operate a premises which has a UST, even if it is not in active use, or you are contemplating the installation or removal, repair or testing of a UST, you are subject to this legislation.

For further information regarding UST's, we suggest you contact:

Office of State Fire Marshall
Petroleum and Chemical Division
3150 Executive Park Drive
Springfield, IL 62703
(217) 785-1020

I hope that you find the above useful information and ask that you call should you have any questions.

Sincerely,



John P. Coleman
Vice President

JPC/kb

Enc.